



THE TCH LEASING GUIDE TO ELECTRIC VEHICLES





IS IT TIME TO 'SWITCH'?

FROM APRIL 2020 - THERE IS NO COMPANY CAR TAX TO PAY ON ELECTRIC VEHICLES AND JUST 1% THE NEXT YEAR AND JUST 2% THE YEAR AFTER!

There is now no cheaper way of getting a new Electric or Hybrid vehicle than under a Salary Sacrifice scheme like the TCH Salsa Employee Car Salary Sacrifice scheme.

The number of Electric and Hybrid vehicles is increasing month by month – both in terms of numbers of vehicles already on the road and also the number of new models coming on to the market.

We thought it would be a good idea to explain the different technologies available in new electric and hybrid vehicles and offer some guidance as to what kind of driver they would be suitable for.

There are some example monthly rental figures as well so you can see how much they might cost.

**THERE ARE
3
MAIN CATEGORIES:**



PURE ELECTRIC

A vehicle that is totally reliant on an electric battery which needs to be 'Plugged in' and recharged at regular intervals.

In the past, the mileage range of this type of car was very limited resulting in 'Range Anxiety' - continually wondering if you have enough power to reach your destination. However, some of the newest models available have a range of approaching 400 miles and the technology gets better all the time. Because they are totally electric their fuel consumption is certainly the lowest.

The new model Nissan Leaf has a range of around 130 miles on a full charge so would be suitable for many drivers.

This type of vehicle is best for shorter range driving or longer ranges where the car can be charged whilst away from home either at the workplace or a public charge point. With this new technology it is important to remember to plug in to any available charge point

whenever the car is not in use be it at home, at work or at a public charge point. In effect an electric car needs to be charged in a similar way to your mobile phone – plug in whenever possible to maintain the charge – don't let it run to nearly empty before charging!

Although still relatively expensive when compared to petrol and diesel cars, electrics attract a Government grant which reduces the cost of purchase and as technology advances and more demand ensues, the costs are starting to come down.

They also avoid some of the current and impending penalties for driving petrol and diesel vehicles in some UK cities.

Best news is that from April 2020, the BIK (Company Car Tax) on pure electric vehicles is removed! It only increases to 1% in 2021/22 and the 2% in 2022/23. This means you will get HUGE income tax and NI savings on Pure Electric vehicles because the company car tax payable is so low - between just £5 and £15 per month dependent on the make and model!

PLUG IN HYBRID ELECTRIC (PHEV)

This is a car which has an ICE (internal combustion engine – petrol or diesel) coupled with an electric battery which gets topped up by the ICE whilst motoring but which can also be plugged in to recharge the battery. Whilst driving in towns and cities the electric battery is used to the full but once on the open road, the petrol or diesel engine takes over. This means the fuel consumption may not be as comparable with a fully electric car. If you really are a high mileage driver it may be more economic to stick to petrol or diesel at the moment although you could choose a diesel hybrid which some manufacturers are starting to produce which may still give high MPG figures .



PETROL OR DIESEL HYBRID

This is a vehicle which does not have a plug-in facility but has a petrol or diesel engine (ICE) coupled with an electric battery. A 'Parallel' hybrid uses a combination of the ICE and battery to power the vehicle dependent on the type of driving. Accelerating, it uses the battery, and when a higher speed is attained the ICE powers the car. When braking, a regenerative system might also help to recharge the battery.

A Range Extender Hybrid, uses the ICE to power just the battery – not the car. The battery powers the car at all times.

The advantage of this type of vehicle (and the plug-in Hybrids on the previous page) is that it overcomes the worries of 'range anxiety'. It means that there is no chance of the vehicle running out of power as it is possible to run the car purely on petrol if there is no electric charge available in the battery. Just be careful not to run out of petrol otherwise it will quickly run out of electric power as well, leaving you high and dry!

Hybrid vehicles (both plug-in and non plug-in) have a shorter electric range than a pure electric vehicle. If you take one of these vehicles on a company car scheme like TCH Salsa then under the current tax bands of 'benefit in kind' you will expect to pay more in company



car tax than on a pure electric vehicle. This is because the calculation is based on the mileage range that the vehicle can achieve by purely running it on the electric battery. The lower the range the higher the tax.

Despite this the tax liability on hybrid vehicles is currently much less than on conventional petrol and diesel cars and will be for the foreseeable future as the Government incentivises us to get us out of our petrols and diesels and in to lower Co2, more environmentally friendly, vehicles.



CHARGING YOUR ELECTRIC OR PLUG-IN HYBRID ELECTRIC CAR

Why do I need a dedicated charge point?

Although all electric and plug in hybrid cars (PHEV's) come with a standard 3 pin plug charging lead, a dedicated home charge point will ensure your battery charges much quicker and safer than using a 3-pin plug. A standard home charger will either be a 3.6kW or 7kW version which will be up to 60% faster and safer than charging using a standard plug. Typically, a 3.6kW charger will usually charge a car fully in less than 7 hours and a 7kW version in less than 4 hours depending on the make/model of vehicle.

The Office of Low Emission vehicles offers grants to support the cost of installing a home charger so typically, a 3.6 kW charger will qualify for a £500 grant meaning the reduced cost to you would be only £279 (or for a 7kw charger £359)

Pricing includes: hardware, software, standard installation, 3-year onsite warranty, over-the-air software updates, VAT, OLEV grant (£500) and is subject to onsite inspection.

What does it cost to charge an Electric Vehicle?

This all depends on the make and model of vehicle and the size of the battery installed in the car. An overnight charge rate on average is around 13 pence per kW (kilowatt hour). So as an example a 40kW battery (new Nissan Leaf) will cost around £5.20 to charge fully which will give you around 235 miles.

A Hyundai Ioniq pure electric (30kW battery) will cost £3.50 to get 115 miles of range.

A 60-litre fuel tank will cost around £75 to fill with diesel and a possible range of 500 miles so a Nissan Leaf electric car would cost about £11 to travel the same distance and a Hyundai Ioniq about £15. Quite a saving....

What about charging at my workplace?

The Office for Low Emission Vehicles (OLEV) provides a workplace charging scheme for your employer. The scheme reduces the purchase and installation cost of a new workplace charging station (single socket) by



75% (capped at £500 per socket). Employers can claim for up to a maximum of 20 charging stations (20 single socket or 10 double socket charge stations).

And charging while on a journey?

It may be necessary to charge your vehicle whilst in the middle of a journey. Electric Vehicle mileage ranges vary substantially by make and model. For instance, an expensive Tesla Model X can run up to 295 miles and a more reasonably priced new Nissan Leaf comes in at 150 miles – more than enough for most people's commute and the odd long journey. Of course, if you are driving in zero degrees with all the heated seats/aircon on and wipers going twenty to the dozen etc then expect a little less.

If you opt for a hybrid then range is not an issue as the petrol or diesel engine will get you where you want to go without restriction however for pure electric vehicles you may require a charge during a journey.

There is a vast and quickly expanding network of charge points available in the UK. The majority of these are 'Rapid Chargers' and will allow charging to 80% of battery capacity within 30 minutes. Whilst not as quick yet as filling with petrol or diesel if you factor in a 'comfort break and a coffee' during a longer journey, the car will get plenty of charge whilst stopped. Rapid chargers are now at all service areas, many supermarkets (Tesco has just announced a further 2,500 charging bays at 600 stores by 2020) multi-story and street level car parks and other premises. Some you will have to pay to charge and some may be free depending on any subscription you may have.

Where can I get a chargepoint?

TCH has partnered with PodPoint Limited to provide home and workplace charge points at the prices mentioned above. For full details of the costs and how to have a home charger or workplace chargers fitted email salariesacrifice@tchleasing.co.uk or call us on 0114 257 4200.



WHAT'S NEW FOR 2020?

Here's a rundown on what we can expect in terms of new models from the car manufacturers in terms of new electric and hybrid offerings this year - an exciting time for this new technology with more affordable models coming to the market!

AUDI E-TRON

Coming early 2019 – this will be up against the executive sector Jaguar iPace and Tesla Model X – with a stated electric range of around 248 miles.





KIA SOUL EV

Should be popular with a 230 mile range.



MERCEDES EQC

Early 2020 - The Executive sector EQC will go up against the Jaguar I-Pace and Tesla Model X, and has a battery capable of 280 miles of range with 0-62mph taking just 5.1 seconds. The EQC offers rapid charging and can be topped up from 10 to 80 per cent in just 40 minutes.



VAUXHALL CORSA-E

sure to be popular with a range of up to 250 miles



MINI ELECTRIC

Deliveries starting from early 2020 with a range of around 120-140 miles (model shown - Mini Countryman EV)



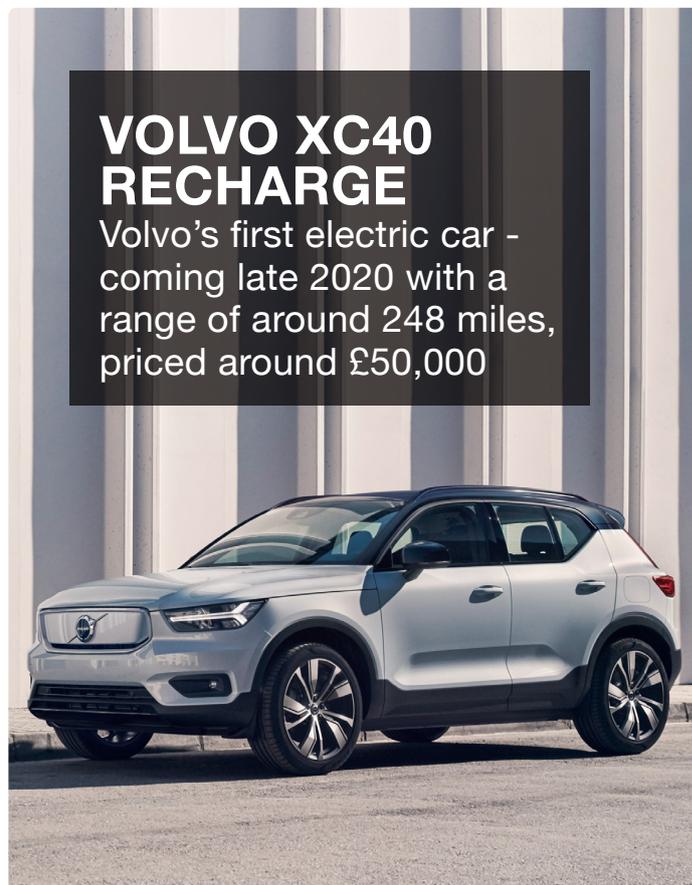
PEUGEOT E-208 ELECTRIC

Peugeot claims it will do 0-60 in just 8 seconds with a range of around 211 miles - sure to be a popular model!



CITROËN DS3 CROSSBACK E-TENSE

Appearing on the roads in the summer 2020 with a big range of around 180 miles on one charge. Will compete with Audi Q2 and Volvo XC40 EV's.



VOLVO XC40 RECHARGE

Volvo's first electric car - coming late 2020 with a range of around 248 miles, priced around £50,000



HONDA-E

Honda's first electric car in Europe with a range of around 136 miles - coming in summer 2020.



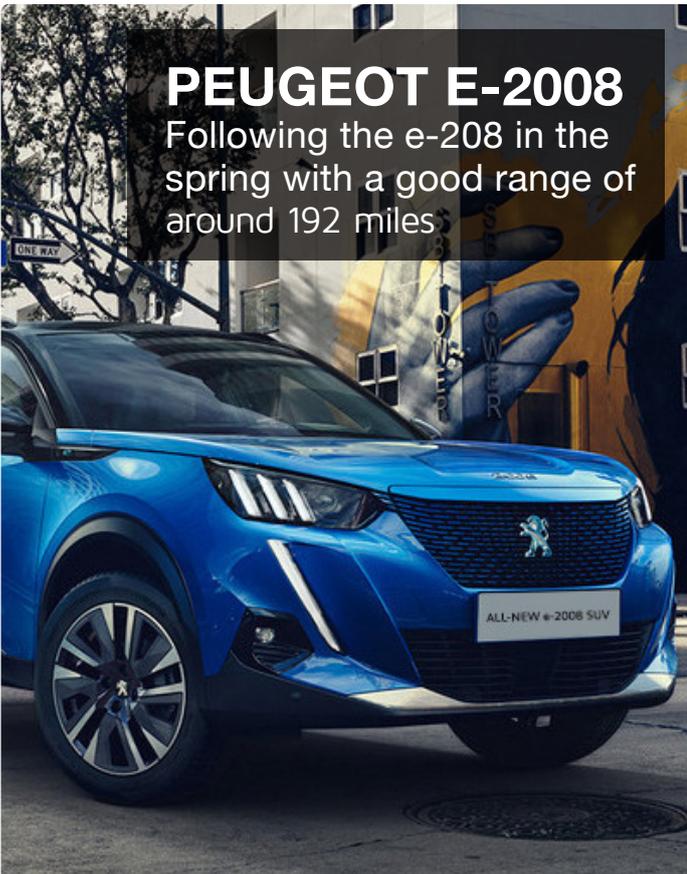
SKODA CITIGO-E IV

Only available as a 5 door model early in 2020, range of 164 miles and should be reasonably priced.



POLESTAR 2

Volvo's sub-brand of electric only cars. Expected around mid 2020 and will be in the upper executive class starting around £50,000 including plug in grant. Promises around 311 miles of range.



PEUGEOT E-2008

Following the e-208 in the spring with a good range of around 192 miles



VOLKSWAGEN ID 3

Will come with a choice of battery options with a range of between 249 to 373 miles. About the size of a Golf Hatchback, will be available from the summer.



BUT WHAT ABOUT STANDARD PETROL AND DIESEL VEHICLES?

It has been widely reported that manufacturers will not be able to sell new petrol or diesel vehicles in the UK from 2040. That really is a long way off so there is still a good demand for these!

There are many reasons why an electric or hybrid car may not yet be suitable for you – the relatively more expensive prices, the ‘range anxiety’, the availability of a home or work charging point to name a few. However, there are many, much cleaner, petrol and diesel vehicles available on the market today. Whereas it was automatically thought a diesel was necessary for high mileage drivers the improved technology in petrol engines means higher MPG and lower Co2 as well. It may be worth considering petrol cars as the purchase prices tend to be lower than diesel and if you have to pay company car tax – as under the TCH Salsa Salary Sacrifice scheme – the ‘Company Car Tax’ may be lower on an equivalent petrol. Diesel may still be the most economical option if you do most of your driving up and down motorways and on open roads. If the bulk of your journeys are in towns and cities then of the two fuels, petrol will still be the best choice

The annual mileage cut off point where diesel is more economical is widely thought to be around the 12-15,000 miles mark, depending on how efficiently you drive your car. For the average motorist and lower mileage company car driver, petrol may well be the smart choice.

FOR FURTHER INFORMATION ON ELECTRIC VEHICLES, OR WHICH TYPE OF ELECTRIC VEHICLE BEST SUITS YOUR NEEDS PLEASE CONTACT US.





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